

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	File Number EB-07-RC-002
)	
Sears Roebuck and Co.)	NAL/Acct. No. 200732200001
Kmart Corporation)	
)	FRN # 0007050388
Hoffman Estates, Illinois)	

NOTICE OF APPARENT LIABILITY FOR FORFEITURE

Adopted: April 9, 2008

Released: April 10, 2008

By the Commission:

I. INTRODUCTION

1. In this *Notice of Apparent Liability for Forfeiture* (“NAL”), we find that Sears Roebuck and Co. (“Sears Roebuck”) and Kmart Corporation (“Kmart”) (collectively “Sears”)¹ apparently willfully and repeatedly violated Section 15.117(k) of the Commission’s Rules (“Rules”)² by failing to place the required Consumer Alert label immediately adjacent to and clearly associated with television receiving equipment that contains an analog broadcast television tuner but does not contain a digital broadcast television tuner (hereinafter “analog-only tuner”) that it displayed or offered for sale or rent. We conclude, pursuant to Section 503(b) of the Communications Act of 1934, as amended (“Act”),³ that Sears is apparently liable for a forfeiture in the amount of one million ninety-six thousand dollars (\$1,096,000).⁴

II. BACKGROUND

2. Congress has established February 17, 2009 as the deadline for the end of analog transmissions for full power television stations. The Commission is statutorily obligated to promote the orderly transition to digital television, “a critical step in the evolution of broadcast television.”⁵ As we stated previously, “[w]e are committed to ensuring the rapid completion of that transition in a way that delivers the greatest possible benefits to the viewing public.”⁶ As part of that commitment and in light of the upcoming deadline, we recently announced that “it is necessary and appropriate to require retailers to provide consumers with information regarding this transition date at the point of sale.”⁷ We reached this

¹ Sears Roebuck and Co. and Kmart Corporation are wholly-owned subsidiaries of Sears Holdings Management Corporation.

² 47 C.F.R. § 15.117(k).

³ 47 U.S.C. § 503(b).

⁴ This amount represents a proposed based forfeiture amount of \$320,000 for Sears Roebuck and \$776,000 for Kmart. See Attachment B for the calculation of the proposed forfeiture amounts.

⁵ 2002 *Biennial Regulatory Review*, Report and Order and Notice of Proposed Rulemaking, 18 FCC Rcd 13620, 13825 ¶ 532 (2003).

⁶ *Id.*

⁷ *Second Periodic Review of the Commission’s Rules and Policies Affecting the Conversion To Digital Television*, (continued....)

conclusion after determining that consumer electronics industry efforts had not adequately informed consumers how analog-only television equipment purchased now will function when the transition to digital broadcasting ends.⁸

3. To ensure that consumers do not inadvertently buy analog-only television equipment without understanding that such devices will not be capable of receiving off-the-air television reception of digital signals after analog broadcasting ends unless connected to a digital-to-analog converter or a digital subscription service, we adopted rules requiring anyone that sells, offers for sale, or rents television receiving equipment that does not contain a digital television (“DTV”) tuner to display a Consumer Alert at the point of sale.⁹ This requirement also applies to the sale or rent of analog-only television receiving equipment via direct mail, catalog, or electronic means (*e.g.*, the Internet). These requirements are contained in Section 15.117(k) of the Rules, which became effective on May 25, 2007.¹⁰

4. Section 15.117(k)(3) of the Rules requires that the Consumer Alert contain the following language:

CONSUMER ALERT

This television receiver has only an analog broadcast tuner and will require a converter box after February 17, 2009, to receive over-the-air broadcasts with an antenna because of the Nation’s transition to digital broadcasting. Analog-only TVs should continue to work as before with cable and satellite TV services, gaming consoles, VCRs, DVD players, and similar products. For more information, call the Federal Communications Commission at 1-888-225-5322 (TTY: 1-888-835-5322) or visit the Commission’s digital television website at: www.dtv.gov.

The Consumer Alert must be in a size of type large enough to be clear, conspicuous and readily legible, consistent with the dimensions of the equipment and the label. The alert either must be printed on a transparent material and affixed to the screen, in a manner that is removable by the consumer and does not obscure the picture when displayed for sale, or displayed separately immediately adjacent to each television receiver offered for sale and clearly associated with the analog-only model to which it pertains.¹¹ In the case of other analog-only video devices that do not include a display (*e.g.*, VCRs, DVD players), the Consumer Alert must be in a prominent location on the device, such as on the top or front, or displayed separately immediately adjacent to and clearly associated with the analog-only model to which it pertains.¹² To the extent that any persons display or offer for sale or rent via direct mail, catalog, or electronic means analog-only television receiving equipment, they must prominently display the Consumer Alert as part of all advertisements or descriptions of such television receiving equipment, in

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Second Report and Order, 22 FCC Rcd 8776 at ¶ 1 (2007) (“*Second DTV Periodic Report and Order*”).

⁸ *Id.* at ¶ 10.

⁹ *Second DTV Periodic Report and Order* at ¶ 14. See 47 C.F.R. § 15.117(k). In the *Second DTV Periodic Report and Order*, the Commission defined “point of sale” as the “place where televisions are displayed for consumers prior to purchase.” See *Second DTV Periodic Report and Order* at n.29.

¹⁰ *Second Periodic Review in the Commission’s Rules and Policies Affecting the Conversion to Digital Television*, 72 Fed. Reg. 28894-01 (May 23, 2007).

¹¹ 47 C.F.R. § 15.117(k)(1).

¹² *Id.*

clear and conspicuous print, and in close proximity to any images or descriptions of such equipment.¹³

5. Immediately after the rule became effective, the Commission's Enforcement Bureau began inspecting hundreds of stores throughout the country, as well as dozens of popular retailer websites, and observed many models of analog-only television receiving equipment on display without the required Consumer Alert labels. On June 1, 2007, the Enforcement Bureau issued a Citation to Sears Roebuck for offering for sale television receiving equipment having an analog-only tuner without displaying the required Consumer Alert in close proximity.¹⁴ Between June 1, 2007 and June 11, 2007, the Enforcement Bureau conducted inspections at numerous stores and, based on those inspections, issued additional Citations to Sears Roebuck for violations at its stores.¹⁵ On June 7, 2007, the Enforcement Bureau issued a Citation to Sears Roebuck for offering for sale on its online retail outlet, www.sears.com, television receiving equipment having an analog-only tuner without displaying the required Consumer Alert in close proximity.¹⁶ On May 31, 2007, the Enforcement Bureau issued a Citation to Kmart for offering for sale television receiving equipment having an analog-only tuner without displaying the required Consumer Alert in close proximity.¹⁷ Between May 31, 2007 and June 11, 2007, the Enforcement Bureau conducted inspections at numerous stores and, based on those inspections, issued additional Citations to Kmart for violations at its stores.¹⁸ On June 7, 2007, the Enforcement Bureau issued a Citation to Kmart for offering for sale on its online retail outlet, www.kmart.com, television receiving equipment having an analog-only tuner without displaying the required Consumer Alert in close proximity.¹⁹ After affording Sears a reasonable opportunity to respond to the first Citations issued to Kmart and Sears Roebuck,²⁰ agents and investigators from the Enforcement Bureau began inspecting numerous additional Sears Roebuck and Kmart stores on June 12, 2007, in various states and once again observed in twenty-seven Kmart stores, the

¹³ 47 C.F.R. § 15.117(k)(2).

¹⁴ *Sears, Roebuck & Co.*, Citation No. C20073248004 (Enf. Bur. Atlanta Office, rel. June 1, 2007).

¹⁵ See Attachment A for a list of the citations issued to Sears Holdings Corporation (collectively "*Citations*"). In preparing the *Citations*, Enforcement Bureau staff relied on publicly available information, including retailer websites, to identify the television receiving equipment with analog-only tuners. Subsequently, Enforcement Bureau staff determined that the following Citations referred, in whole or in part, to erroneously identified equipment models: Sears Citation No. C20073294008 (Sylvania Model D155SL8); Kmart Citation No. C20073228004 (All Models). In light of this evidence, we hereby cancel the relevant portions of the above citations with respect to those models. We also determined that the following Citation issued to K-Mart should have been issued to another retailer, and therefore we cancel this Citation as well: Citation No. C20073290022 (rel. June 5, 2007).

¹⁶ *Sears, Roebuck & Co.*, Citation No. EB-07-SE-188 (Enf. Bur. Spectrum Enforcement Division, rel. June 7, 2007).

¹⁷ *Kmart c/o Sears Holding Corporation*, Citation No. C20073240004 (Enf. Bur. Philadelphia Office, rel. May 31, 2007).

¹⁸ See Attachment A. All of the violations underlying the *Citations* occurred before June 12, 2007.

¹⁹ *Sears, Roebuck & Co.*, Citation No. EB-07-SE-181 (Enf. Bur. Spectrum Enforcement Division, rel. June 7, 2007).

²⁰ On June 8, 14, and 22, 2007, Sears Holdings Corporation submitted consolidated responses to the citations issued to Kmart and Sears, Roebuck & Co. See Letter from Mark D. Moloy, Senior Counsel – Vendor Compliance, Law Department, Sears Holdings Management Corporation, to William Davenport, Assistant Bureau Chief, and George Dillon, Associate Bureau Chief, Enforcement Bureau, Federal Communications Commission, dated June 8, 2007; Letter from Mark D. Moloy, Senior Counsel – Vendor Compliance, Law Department, Sears Holdings Management Corporation, to William Davenport, Assistant Bureau Chief, and George Dillon, Associate Bureau Chief, Enforcement Bureau, Federal Communications Commission, dated June 14, 2007; Letter from Mark D. Moloy, Senior Counsel – Vendor Compliance, Law Department, Sears Holdings Management Corporation, to William Davenport, Assistant Bureau Chief, and George Dillon, Associate Bureau Chief, Enforcement Bureau, Federal Communications Commission, dated June 22, 2007.

Sears Roebuck website, and sixteen Sears Roebuck stores, television receiving equipment with analog-only tuners on display without the required Consumer Alert labels.²¹

6. Under Section 503(b)(1) of the Act, any person who is determined by the Commission to have willfully or repeatedly failed to comply with any provision of the Act or any rule, regulation, or order issued by the Commission shall be liable to the United States for a forfeiture penalty.²² Section 312(f)(1) of the Act defines willful as “the conscious and deliberate commission or omission of [any] act, irrespective of any intent to violate” the law.²³ The legislative history to Section 312(f)(1) of the Act clarifies that this definition of willful applies to both Sections 312 and 503(b) of the Act²⁴ and the Commission has so interpreted the term in imposing forfeitures pursuant to Section 503(b).²⁵ The Commission may also assess a forfeiture for violations that are merely repeated, and not willful.²⁶ “Repeated” means that the act was committed or omitted more than once, or lasts more than one day.²⁷ To impose such a forfeiture penalty, the Commission must issue a notice of apparent liability and the person against whom the notice has been issued must have an opportunity to show, in writing, why no such forfeiture penalty should be imposed.²⁸ The Commission will then issue a forfeiture if it finds by a preponderance of the evidence that the person has violated the Act or a Commission rule.²⁹ As we set forth below, we conclude under this standard that Sears is apparently liable for forfeiture for its apparent willful and repeated violations of Section 15.117(k) of the Commission’s rules.

III. DISCUSSION

7. Based on the evidence before us, we find that Sears apparently willfully and repeatedly violated Section 15.117(k) of the Rules by failing to display conspicuously and in close proximity to equipment with an analog-only tuner, in clear and conspicuous print, the required Consumer Alert label. Specifically, as detailed in Attachment B, agents and investigators from the Enforcement Bureau observed a number of different models of television receiving equipment having only an analog-only tuner on display in twenty-seven Kmart stores, the Sears Roebuck website, and sixteen Sears Roebuck stores, without the required Consumer Alert labels.³⁰ Kmart previously received twenty-three Citations and Sears Roebuck previously received twenty Citations for this same type of conduct prior to the agents’ inspections.³¹

²¹ See Attachment B for a listing of the stores visited and the models observed at each store. Enforcement Bureau staff determined that these models had analog-only tuners by consulting the manufacturer’s product manuals or, if such were unavailable, the models’ technical specifications from Sears Holding Corporation’s website.

²² 47 U.S.C. § 503(b)(1)(B); 47 C.F.R. § 1.80(a)(2).

²³ 47 U.S.C. § 312(f)(1).

²⁴ H.R. Rep. No. 97-765, 97th Cong. 2d Sess. 51 (1982).

²⁵ See, e.g., *Application for Review of Southern California Broadcasting Co.*, Memorandum Opinion and Order, 6 FCC Rcd 4387, 4388 (1991) (“*Southern California Broadcasting Co.*”).

²⁶ See, e.g., *Callais Cablevision, Inc., Grand Isle, Louisiana*, Notice of Apparent Liability for Monetary Forfeiture, 16 FCC Rcd 1359, 1362, ¶ 10 (2001) (“*Callais Cablevision*”) (issuing a Notice of Apparent Liability for, *inter alia*, a cable television operator’s repeated signal leakage).

²⁷ *Southern California Broadcasting Co.*, 6 FCC Rcd at 4388, ¶ 5; *Callais Cablevision, Inc.*, 16 FCC Rcd at 1362, ¶ 9.

²⁸ 47 U.S.C. § 503(b); 47 C.F.R. § 1.80(f).

²⁹ See, e.g., *SBC Communications, Inc.*, Forfeiture Order, 17 FCC Rcd 7589, 7591, ¶ 4 (2002) (forfeiture paid).

³⁰ Attachment B lists the dates of the Enforcement Bureau inspections, the analog-only models identified in violation of Section 15.117(k), as well as the Sears Roebuck and Kmart stores involved.

³¹ Section 503(b)(5) states that no forfeiture liability shall be determined against any person who does not hold a license, permit, certificate, or other authorization issued by the Commission unless, prior to issuance of any Notice

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8. Under Section 503(b)(2)(D) of the Act,³² we may assess an entity that is neither a common carrier, broadcast licensee or cable operator a forfeiture of up to \$11,000 for each violation or each day of a continuing violation, up to a statutory maximum forfeiture of \$97,500 for any single continuing violation. In exercising such authority, we must take into account “the nature, circumstances, extent, and gravity of the violation and, with respect to the violator, the degree of culpability, any history of prior offenses, ability to pay, and such other matters as justice may require.”³³

9. The Commission’s *Forfeiture Policy Statement*³⁴ and Section 1.80 of the Rules do not establish a specific base forfeiture for violation of the analog-only tuner labeling requirements. In adopting the Consumer Alert labeling requirements, the Commission stated that “[a]ccurate communication of this impending change is a highly material disclosure for consumers contemplating the purchase of a television.”³⁵ We also noted that it is a matter of public safety for consumers who rely on analog-only televisions to obtain critical emergency information.³⁶

10. Similar issues arose regarding labeling requirements for wireless hearing aid-compatible handsets. In those cases, the Enforcement Bureau established a base forfeiture amount of \$8,000 per handset model that failed to comply with the labeling requirements.³⁷ The labeling requirements for

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of Apparent Liability, such person is “(A) sent a citation of the violation charged; (B) is given a reasonable opportunity for a personal interview with an official of the Commission at the field office of the Commission which is nearest to such person’s place of residence; and (C) subsequently engages in conduct of the type described in such citation.” 47 U.S.C. § 503(b)(5). The apparent violations discussed in this *NAL* are subject to forfeiture because we afforded Sears a reasonable opportunity for a personal interview or to submit a written response to its first Citation before conducting a second round of inspections that would count towards potential forfeiture liability. *See supra* para. 5 and notes 14, 17. To the extent that the television receiving models involved in this *NAL* differ from those listed in the *Citations*, no additional citations are necessary because the more recent apparent violations are “conduct of the type described” in the earlier *Citations* – violations of Section 15.117(k). *See HighTech CB Shop*, Forfeiture Order, 20 FCC Rcd 12514, 12516 ¶ 9 (Enf. Bur. South Central Region 2005), *recon. denied*, 20 FCC Rcd 19269 (Enf. Bur. 2005). In any event, the requirements of Section 503(b)(5) do not apply to Sears Roebuck, Kmart, or Sears Holding Corporation, which are Commission licensees and therefore subject to forfeiture under Section 503(b)(2) of the Act without first receiving notice via a citation. *See, e.g.*, Stations KB92013, WPAI989, and WPAW266, licensed to Sears Roebuck, Kmart, and Sears Holding Corporation, respectively, in the Industrial/Business Pool Private Land Mobile Service.

³² 47 U.S.C. § 503(b)(2)(D). The Commission twice amended Section 1.80(b)(3) of the Rules, 47 C.F.R. § 1.80(b)(3), to increase the maximum forfeiture amounts, in accordance with the inflation adjustment requirements contained in the Debt Collection Improvement Act of 1996, 28 U.S.C. § 2461. *See Amendment of Section 1.80 of the Commission’s Rules and Adjustment of Forfeiture Maxima to Reflect Inflation*, Order, 15 FCC Rcd 18221 (2000) (adjusting the maximum statutory amounts from \$10,000/\$75,000 to \$11,000/\$87,500); *Amendment of Section 1.80 of the Commission’s Rules and Adjustment of Forfeiture Maxima to Reflect Inflation*, Order, 19 FCC Rcd 10945 (2004) (adjusting the maximum statutory amounts from \$11,000/\$87,500 to \$11,000/\$97,500).

³³ 47 U.S.C. § 503(b)(2)(E). *See also* 47 C.F.R. § 1.80(b)(4), Note to paragraph (b)(4): Section II. Adjustment Criteria for Section 503 Forfeitures.

³⁴ *See The Commission’s Forfeiture Policy Statement and Amendment of Section 1.80 of the Rules to Incorporate the Forfeiture Guidelines*, Report and Order, 12 FCC Rcd 17087, 17115 (1997), *recon. denied*, 15 FCC Rcd 303 (1999) (“*Forfeiture Policy Statement*”).

³⁵ *Second DTV Periodic Report and Order* at ¶ 12.

³⁶ *Id.* *See also* 47 C.F.R. §§ 11.1-11.61, 79.2.

³⁷ *See Pine Telephone Inc.*, Notice of Apparent Liability, 22 FCC Rcd 9205, 9210 (Enf. Bur., Spectrum Enf. Div. 2007) subsequent history omitted; *IT&E Overseas, Inc.*, Notice of Apparent Liability, 22 FCC Rcd 7660, 7665 (Enf. Bur., Spectrum Enf. Div. 2007).

wireless hearing aid-compatible handsets and the analog-only tuner labeling requirements both serve the important goal of ensuring that consumers have access to necessary information. In light of the similarities in these labeling requirements, we conclude that a \$8,000 base forfeiture amount per unlabeled model or device in each store where Bureau agents and investigators observed a violation is appropriate for apparent violations of Section 15.117(k).³⁸

11. We find that, beginning on June 12, 2007, as detailed in Attachment B, even after receiving the *Citations* warning of violations in its stores across the country, numerous different models of equipment with an analog-only tuner were displayed in twenty-seven Kmart stores, the Sears Roebuck website, and sixteen Sears Roebuck stores without the required Consumer Alert label. As a result, Sears continued to market television receiving equipment to consumers without adequately warning that the equipment contained an analog-only television receiver. Those consumers may not learn of their equipment's limitations until the analog-only devices cease to receive over-the-air television signals, long after any period for returning the equipment has expired. This scenario is precisely the outcome that our rule was intended to prevent.³⁹ Applying the analysis set forth above to the facts of this case, we conclude that Sears Roebuck is apparently liable for a \$320,000 base forfeiture and Kmart is apparently liable for a \$776,000 base forfeiture.⁴⁰

IV. ORDERING CLAUSES

12. Accordingly, **IT IS ORDERED** that, pursuant to Section 503(b) of the Communications Act of 1934, as amended, and Section 1.80 of the Commission's Rules, Sears Roebuck and Co. is hereby **NOTIFIED** of this **APPARENT LIABILITY FOR A FORFEITURE** in the amount of three hundred twenty thousand dollars (\$320,000) for violations of Section 15.117(k) of the Rules.⁴¹

13. **IT IS FURTHER ORDERED** that, pursuant to Section 503(b) of the Communications Act of 1934, as amended, and Section 1.80 of the Commission's Rules, Kmart Corporation is hereby **NOTIFIED** of this **APPARENT LIABILITY FOR A FORFEITURE** in the amount of seven hundred seventy six thousand dollars (\$776,000) for violations of Section 15.117(k) of the Rules.⁴²

14. **IT IS FURTHER ORDERED** that, pursuant to Section 1.80 of the Commission's Rules within thirty days of the release date of this Notice of Apparent Liability for Forfeiture, Sears Roebuck and Co. and Kmart Corporation **SHALL PAY** the full amount of their proposed forfeitures or **SHALL FILE** a written statement seeking reduction or cancellation of the proposed forfeiture.

15. Payment of the forfeiture must be made by check or similar instrument, payable to the order of the Federal Communications Commission. The payment must include the NAL/Account Number and FRN Number referenced above. Payment by check or money order may be mailed to Federal Communications Commission, P.O. Box 979088, St. Louis, MO 63197-9000. Payment by overnight mail may be sent to U.S. Bank – Government Lockbox #979088, SL-MO-C2-GL, 1005 Convention Plaza, St. Louis, MO 63101. Payment[s] by wire transfer may be made to ABA Number

³⁸ We caution Sears Roebuck and Kmart and other retailers that future cases involving repeat offenders may result in the imposition of forfeitures on a continuing violation basis.

³⁹ “After the transition, absent a label requirement, even cable and satellite subscribers might be surprised to find that they cannot receive television broadcasts over-the-air on an analog-only television purchased today if they choose to discontinue subscription service or their cable or satellite service is terminated by disaster, service disruption, or for non-payment of their bills.” *Second DTV Periodic Report and Order* at ¶ 12.

⁴⁰ See Attachment B regarding the calculation of the proposed forfeiture amounts.

⁴¹ 47 U.S.C. § 503(b), 47 C.F.R. §§ 1.80, 15.117(k).

⁴² 47 U.S.C. § 503(b), 47 C.F.R. §§ 1.80, 15.117(k).

021030004, receiving bank TREAS/NYC, and account number 27000001. For payment by credit card, an FCC Form 159 (Remittance Advice) must be submitted. When completing the FCC Form 159, enter the NAL/Account number in block number 23A (call sign/other ID), and enter the letters "FORF" in block number 24A (payment type code). Requests for full payment under an installment plan should be sent to: Chief Financial Officer -- Financial Operations, 445 12th Street, S.W., Room 1-A625, Washington, D.C. 20554. Please contact the Financial Operations Group Help Desk at 1-877-480-3201 or Email: ARINQUIRIES@fcc.gov with any questions regarding payment procedures.

16. The response, if any, must be mailed to Federal Communications Commission, Enforcement Bureau, and must include the NAL/Acct. No. referenced in the caption.

17. The Commission will not consider reducing or canceling a forfeiture in response to a claim of inability to pay unless the petitioner submits: (1) federal tax returns for the most recent three-year period; (2) financial statements prepared according to generally accepted accounting practices ("GAAP"); or (3) some other reliable and objective documentation that accurately reflects the petitioner's current financial status. Any claim of inability to pay must specifically identify the basis for the claim by reference to the financial documentation submitted.

18. **IT IS FURTHER ORDERED** that a copy of this *Notice of Apparent Liability for Forfeiture* shall be sent by Certified Mail, Return Receipt Requested, and regular mail, to Mark D. Molay, Senior Counsel – Vendor Compliance, Sears Holdings Management Corporation, at his address of record, and to David Hilliard, Wily Rein LLP, Counsel for Sears Roebuck and Co. and Kmart Corporation, at his address of record.

FEDERAL COMMUNICATIONS COMMISSION

Marlene H. Dortch
Secretary

Attachment A

CITATIONSSears, Roebuck & Co.

Store #- Location	Citation No.	Release Date
Tampa, FL	C20073270002	May 31, 2007
Miami, FL	C20073260004	May 31, 2007
San Diego, CA	C20073294008	June 1, 2007
#1685 Duluth, GA	C20073248004	June 1, 2007
Houston, TX	C20073254003	June 1, 2007
#1019 Pleasanton, CA	C20073296007	June 5, 2007
Tacoma, WA	C20073298013	June 5, 2007
#1354 Willow Grove, PA	C20073240011	June 6, 2007
Tukwila, WA	C20073298017	June 8, 2007
Anchorage, AK	C20073278003	June 8, 2007
Ellicot City, MD	C20073234007	June 8, 2007
#1834 North Wales, PA	C20073240019	June 11, 2007
Peabody, MA	C20073226005	June 11, 2007
Richardson, TX	C20073250013	June 11, 2007
#1248 Hayward, CA	C20073296014	June 12, 2007
#1874 Burlington, NJ	C20073240030	June 12, 2007
#1615 Chesapeake, VA	C20073264008	June 12, 2007
New Hyde Park, NY	C20073238020	June 14, 2007
Valley Stream, NY	C20073238024	June 14, 2007
www.sears.com	EB-07-SE-188	June 7, 2007

Kmart

Store #- Location	Citation No.	Release Date
#3187 Langhorne, PA	C200732440004	May 31, 2007
#12127601 New York, NY	C20073238013	May 31, 2007
#3117 Willow Grove, PA	C20073240005	June 1, 2007
Tampa, FL	C20073270006	June 1, 2007
Miami, FL	C20073260002	June 1, 2007
#3742 Chesapeake, VA	C20073264004	June 1, 2007

#4988 Norfolk, VA	C20073264003	June 1, 2007
Seattle, WA	C20073298010	June 4, 2007
Batavia, NY	C20073228001	June 4, 2007
Ocala, FL	C20073270008	June 4, 2007
LaHabra, CA	C20073290022	June 5, 2007
#3207 Farmington, MI	C20073236003	June 5, 2007
#3159 Farmington, MI	C20073236004	June 5, 2007
#4451 Doraville, GA	C20073248010	June 6, 2007
Depew, NY	C20073228004	June 7, 2007
Denver, CO	C20073280009	June 8, 2007
San Diego, CA	C20073294015	June 11, 2007
Kapolei, HI	C20073286005	June 11, 2007
#3077 Burlington, NJ	C20073240028	June 12, 2007
#3596 Pleasantville, NJ	C20073240026	June 12, 2007
San Leandro, CA	C20073296018	June 15, 2007
Hayward, CA	C20073296017	June 15, 2007
www.kmart.com	EB-07-SE-181	June 7, 2007

Attachment B

PROPOSED FORFEITURE AMOUNTS**Sears, Roebuck & Co.****1. June 12, 2007, Sears Store # 1108, Temecula, CA.**

Manufacturer	Device	Model #	Forfeiture Amount	
Sylvania	TV	6720FDG/F	\$8,000	
Toshiba	TV	MD 20F51	\$8,000	
Toshiba	TV	MD13Q42	\$8,000	
Haier America	TV	HTN20R15	\$8,000	
Audiovox	TV	VE-720	\$8,000	
Sony	TV	ICF-DVD57TV	\$8,000	
Sony	TV	ICF- CD555TV	\$8,000	
Toshiba	TV	14AF45	\$8,000	
			SUBTOTAL	\$64,000

2. June 12, 2007, Sears Store, Wasilla, AK

Manufacturer	Device	Model #	Forfeiture Amount	
Sony	TV	KV20FS120	\$8,000	
Sylvania	TV	6424TFS	\$8,000	
Sylvania	TV	6419TG	\$8,000	
Sylvania	TV	6413TG	\$8,000	
Toshiba	TV	14AF45	\$8,000	
Sony	DVD/VCR	RDR-VX530	\$8,000	
Samsung	DVD/VCR	DVD-R330	\$8,000	
Toshiba	TV/DVD	MD13Q42	\$8,000	
Sylvania	TV/VCR	6313CE	\$8,000	
Sylvania	TV/DVD/VCR	6720FDG	\$8,000	
			SUBTOTAL	\$80,000

3. June 12, 2007, Sears Store # 1098, Clovis, CA

Manufacturer	Device	Model #	Forfeiture Amount	
Sony	TV	KV20FS120	\$8,000	
			SUBTOTAL	\$8,000

4. June 12, 2007, Sears Store, Cheyenne, WY

Manufacturer	Device	Model #	Forfeiture Amount	
Panasonic	DVD Recorder	DMR-ES15	\$8,000	
			SUBTOTAL	\$8,000

5. June 13, 2007, Sears Store, Baltimore, MD

Manufacturer	Device	Model #	Forfeiture Amount	
Disney Princess	13" TV	DT1350-P	\$8,000	
			SUBTOTAL	\$8,000

6. June 13, 2007, Sears Store #1224, Harrisburg, PA

Manufacturer	Device	Model #	Forfeiture Amount	
Sylvania	TV/DVD/VCR	6724FDG	\$8,000	
			SUBTOTAL	\$8,000

7. June 13, 2007, Sears Store #1646, Charlotte, NC

Manufacturer	Device	Model #	Forfeiture Amount	
Samsung	DVD Recorder	DVD-VR330	\$8,000	
			SUBTOTAL	\$8,000

8. June 14, 2007, Sears Store #1057, Dallas, TX

Manufacturer	Device	Model #	Forfeiture Amount	
Sony	DVD/VCR combo	SLV-D360P	\$8,000	
Samsung	DVD/VCR combo	DVD-VR330	\$8,000	
Philips	LCD HDTV monitor with NTSC tuner	23PF5320/28	\$8,000	
			SUBTOTAL	\$24,000

9. June 14, 2007, Sears Store, St. Peters, MO

Manufacturer	Device	Model #	Forfeiture Amount	
Philips	LCD HDTV MONITOR	23PF5320/28	\$8,000	
			SUBTOTAL	\$8,000

10. June 14, 2007, Sears Store #3231, Escanaba, MI

Manufacturer	Device	Model #	Forfeiture Amount	
Philips	23" LCD TV	23PF5320/28	\$8,000	

			SUBTOTAL	\$8,000
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11. June 14, 2007, Sears Store # 6909, San Bruno, CA

Manufacturer	Device	Model #	Forfeiture Amount	
Panasonic	DVDR	DMR-ES15	\$8,000	
Sylvania	TV	6424TFS	\$8,000	
			SUBTOTAL	\$16,000

12. June 14, 2007, Store #1335 Greensboro, NC

Manufacturer	Device	Model #	Forfeiture Amount	
Sylvania	TV set	6313CG	\$8,000	
Sylvania	TV set	6513DG	\$8,000	
			SUBTOTAL	\$16,000

13. June 15, 2007, Sears Store #1728, Tuscon, AZ

Manufacturer	Device	Model #	Forfeiture Amount	
Memcorp - Disney Electronics	TV	DT1350-C	\$8,000	
			SUBTOTAL	\$8,000

14. July 2, 2007, Sears Store #2446, Mission, KS

Manufacturer	Device	Model #	Forfeiture Amount	
Sylvania	TV/DVD/VCR	6720FDG	\$8,000	
			SUBTOTAL	\$8,000

15. July 2, 2007, Sears Store #2398, Longmont, CO

Manufacturer	Device	Model #	Forfeiture Amount	
Toshiba	DVD/VCR	D-VR5SU	\$8,000	
Panasonic	DVD	DMR-ES15	\$8,000	
			SUBTOTAL	\$16,000

16. July 11, 2007, Sears Store # 1485, Orange Park, FL

Manufacturer	Device	Model #	Forfeiture Amount	
Sylvania	19" TV	6419TG	\$8,000	
Toshiba	24" TV/DVD/VCR	MW24F52	\$8,000	
			SUBTOTAL	\$16,000

17. June 14, 2007, Sears website, www.sears.com

Manufacturer	Device	Model #	Forfeiture Amount	
Philips	TV	23PF5320/28	\$8,000	
Spectra	TV	507-BWR	\$8,000	
			SUBTOTAL	\$16,000

Sears, Roebuck, & Co. Total Proposed Forfeiture: \$320,000

Kmart**1. June 12, 2007, Kmart Store #9394, Fajardo, PR**

Manufacturer	Device	Model #	Forfeiture Amount	
Memorex	DVD/VCR	MVD 4543	\$8,000	
Sylvania	DVD/VCR	DVC 841G	\$8,000	
RCA	DVD/VCR	DCR 6355N	\$8,000	
Toshiba	DVD/VCR	SD-V394	\$8,000	
Sony	DVD/VCR	SLV-D370P	\$8,000	
			SUBTOTAL	\$40,000

2. June 12, 2007, Kmart Store, 15909 Manchester Road, Ballwin, MO

Manufacturer	Device	Model #	Forfeiture Amount	
Memorex	DVD/VCR	MVD4543	\$8,000	
Magnavox	TV	20MF605T	\$8,000	
Sylvania	LCD TV	6620LCT	\$8,000	
Toshiba	TV/DVD	MD20F52	\$8,000	
			SUBTOTAL	\$32,000

3. June 12, 2007, Kmart Store, 6650 Manchester Street, St. Louis, MO

Manufacturer	Device	Model #	Forfeiture Amount	
Sony	DVD/VCR	SLV-D370P	\$8,000	
RCA	TV	20F512T	\$8,000	
			SUBTOTAL	\$16,000

4. June 12, 2007, Kmart Store #3833, Iron Mountain, MI

Manufacturer	Device	Model #	Forfeiture Amount	
DN Princess	13" TV	DT 1350-P	\$8,000	
Pooh	13" TV	DT 1350-RWP	\$8,000	
			SUBTOTAL	\$16,000

5. June 12, 2007, Kmart Store, Clovis, CA

Manufacturer	Device	Model #	Forfeiture Amount	
Sylvania	TV	C6419TE	\$8,000	
Memorex	TV	MT0550 / MT0500	\$8,000	
Sharp	TV	LC15SH	\$8,000	
			SUBTOTAL	\$24,000

6. June 12, 2007, Kmart Store #4244, Knoxville, TN

Manufacturer	Device	Model #	Forfeiture Amount	
Sylvania	TV/DVD	6520FDG	\$8,000	
Sylvania	TV/DVD	6513DG	\$8,000	
Sylvania	TV	6420FB	\$8,000	
			SUBTOTAL	\$24,000

7. June 12, 2007, Kmart Store, Cheyenne, WY

Manufacturer	Device	Model #	Forfeiture Amount	
Memorex	DVD/CD/VCD/MP3/Photo CD Player and Video Cassette Recorder	MVD4543	\$8,000	
			SUBTOTAL	\$8,000

8. June 13, 2007, Kmart Store #4137, Charlotte, NC

Manufacturer	Device	Model #	Forfeiture Amount	
Sylvania	TV set	6427TF	\$8,000	
Sylvania	TV set	6432TF	\$8,000	
Sylvania	TV set	6424TFS	\$8,000	
			SUBTOTAL	\$24,000

9. June 13, 2007, Kmart Store, 5100 Sinclair Lane, Baltimore, MD

Manufacturer	Device	Model #	Forfeiture Amount	
Disney Princess	13" Color TV	DT1350-P	\$8,000	
RCA	20" Stereo TV	20V500T	\$8,000	
Sylvania	13" TV/DVD	6513DG	\$8,000	
			SUBTOTAL	\$24,000

10. June 13, 2007, Kmart Store #3028, Feasterville, PA

Manufacturer	Device	Model #	Forfeiture Amount	
Memorex	DVD/VCR	MVD4543	\$8,000	
Disney	TV	DT1350-P	\$8,000	
Magnavox	TV	14MS2331/17	\$8,000	
RCA	TV	13V420T	\$8,000	
Sylvania	TV	6419TG	\$8,000	
Olevia	TV	LT23HVX	\$8,000	
			SUBTOTAL	\$48,000

11. June 13, 2007, Kmart Store #4479, Harrisburg, PA

Manufacturer	Device	Model #	Forfeiture Amount	
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Disney	TV	DT1350-RWP	\$8,000	
			SUBTOTAL	\$8,000

12. June 13, 2007, Kmart Store, Casa Grande, AZ

Manufacturer	Device	Model #	Forfeiture Amount	
Magnavox	TV	MS2331	\$8,000	
RCA	TV	13V420T	\$8,000	
Memcorp (Disney Electronics)	TV	DT1350-C	\$8,000	
			SUBTOTAL	\$24,000

13. June 13, 2007, Kmart Store (Baseline Road), Phoenix, AZ

Manufacturer	Device	Model #	Forfeiture Amount	
Sylvania	TV	6620LCT	\$8,000	
			SUBTOTAL	\$8,000

14. June 14, 2007, Kmart Store #4248, Staten Island, NY

Manufacturer	Device	Model #	Forfeiture Amount	
Magnavox	TV	20MF605T/17	\$8,000	
			SUBTOTAL	\$8,000

15. June 14, 2007, Kmart Store # 4308, Birmingham, AL

Manufacturer	Device	Model #	Forfeiture Amount	
Sylvania	TV	6413TG	\$8,000	
Sylvania	TV/VCR	6313CE	\$8,000	
Sylvania	DVR	DVR90DF	\$8,000	
Sylvania	TV/DVD	6513DG	\$8,000	
RCA	TV	13V420T	\$8,000	
RCA	TV	24V511T	\$8,000	
Magnavox	TV	14MS2331	\$8,000	
Memorex	TV	MT0500	\$8,000	
			SUBTOTAL	\$64,000

16. June 14, 2007, Kmart Store, Riverside, CA

Manufacturer	Device	Model #	Forfeiture Amount	
Sylvania	TV	6313CD	\$8,000	
Maganavox	VCR/DVD	20MF605T	\$8,000	
Memcorp - Disney Electronics	TV	DT1350-P	\$8,000	
Memorex	TV	MVD4543	\$8,000	
			SUBTOTAL	\$32,000

17. June 14, 2007, Kmart Store #9065, Escanaba, MI

Manufacturer	Device	Model #	Forfeiture Amount	
DN Princess	13" TV	DT 1350-P	\$8,000	
Pooh	13" TV	DT 1350-RWP	\$8,000	
			SUBTOTAL	\$16,000

18. June 14, 2007, Kmart Store #3179, Orlando, FL

Manufacturer	Device	Model #	Forfeiture Amount	
Sylvania	TV/DVD	6513DG	\$8,000	
Memorex	TV/DVD/CD	MVD1402	\$8,000	
Sylvania	TV	6424TF	\$8,000	
Toshiba	TV/DVD	MD20F52	\$8,000	
RCA	TV	13V420T	\$8,000	
Magnavox	FLT Stereo TV	14MS2331	\$8,000	
Sylvania	TV	6419TG	\$8,000	
Magnavox	TV	20MT133S	\$8,000	
Sylvania	TV	6424TFS	\$8,000	
RCA	TV	20V500T	\$8,000	
Sylvania	TV	6413TG	\$8,000	
RCA	TV	E13320	\$8,000	
Disney Classic TV	TV	Princess 13-DT1350C	\$8,000	
			SUBTOTAL	\$104,000

19. June 14, 2007, Kmart Store, San Mateo, CA

Manufacturer	Device	Model #	Forfeiture Amount	
Memorex	TV	MT0550/MT0500	\$8,000	
Disney/Memorex	TV	D1350 P	\$8,000	
Magnavox	TV	20MS2331/17	\$8,000	
Magnavox	TV	15MF605T	\$8,000	
			SUBTOTAL	\$32,000

20. June 15, 2007, Kmart Store, Sierra Vista, AZ

Manufacturer	Device	Model #	Forfeiture Amount	
Sylvania	TV	6620LDT	\$8,000	
Magnavox	TV	20MF500T	\$8,000	
Memcorp - Disney Electronics	TV	DT1350-C	\$8,000	
			SUBTOTAL	\$24,000

21. June 15, 2007, Kmart Store #4844, San Juan, PR

Manufacturer	Device	Model #	Forfeiture Amount	
Sylvania	TV	6319CE	\$8,000	
Symphonic	TV	SC724FDF	\$8,000	
Sylvania	DVD/VCR	DVC 840F	\$8,000	
Sylvania	DVD/VCR	DVC 841G	\$8,000	
Memorex	DVD/VCR	MVD4543	\$8,000	
RCA	DVD/VCR	DRC6355N	\$8,000	
			SUBTOTAL	\$48,000

22. On July 5, 2007, Kmart Store # 4220, Kansas City, MO

Manufacturer	Device	Model #	Forfeiture Amount	
RCA	TV	20V500T	\$8,000	
Magnavox	TV	20MT133S	\$8,000	
			SUBTOTAL	\$16,000

23. July 9, 2007, Kmart Store #4427, Independence, MO

Manufacturer	Device	Model #	Forfeiture Amount	
RCA	TV	20F512T	\$8,000	
RCA	TV	24V511T	\$8,000	
Disney	TV	DT1350-P	\$8,000	
Magnavox	TV	20MF500T	\$8,000	
			SUBTOTAL	\$32,000

24. July 10, 2007, Kmart Store #9936, Independence, MO

Manufacturer	Device	Model #	Forfeiture Amount	
Sony	DVD/VCR	SLV-D370P	\$8,000	
Sylvania	TV	6620LCT	\$8,000	
RCA	TV	13V420T	\$8,000	
			SUBTOTAL	\$24,000

25. July 10, 2007, Kmart Store # 4157, Kansas City, MO

Manufacturer	Device	Model #	Forfeiture Amount	
Sylvania	TV	6620LCT	\$8,000	
Magnavox	TV	14MS2331	\$8,000	
RCA	TV	20V500T	\$8,000	
Sylvania	TV	6620LE	\$8,000	
RCA	TV	E13320	\$8,000	
			SUBTOTAL	\$40,000

26. July 12, 2007, Kmart Store, El Centro CA

Manufacturer	Device	Model #	Forfeiture Amount	
Sony	DVD/VCR	SLVD370P	\$8,000	
RCA	DVD/VCR	DRC6355N	\$8,000	
Trutech	TV	KLV3170	\$8,000	
			SUBTOTAL	\$24,000

27. July 14, 2007, Kmart Store #3641, Manahawkin, NJ

Manufacturer	Device	Model #	Forfeiture Amount	
Disney	TV	DT1350-P	\$8,000	
RCA	TV	20F512T	\$8,000	
			SUBTOTAL	\$16,000

Kmart Total Proposed Forfeiture: \$776,000

SEARS HOLDING CORPORATION TOTAL PROPOSED FORFEITURE: \$1,096,000